# STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

Will Rossbach,

Complainant,

FINDINGS OF FACT, CONCLUSIONS, AND ORDER

VS.

Erik Hjelle and Erik Hjelle and Associates, Inc.,

Respondents.

The above-entitled matter came on for an evidentiary hearing on May 1, 2006, before a panel of three Administrative Law Judges: Barbara L. Neilson (Presiding Judge), Steve Mihalchick, and Beverly Jones Heydinger. The hearing record closed on May 23, 2006, with the filing of the parties' post-hearing briefs.

Jay Benanav and Luke Kuhl, Attorneys at Law, Weinblatt and Gaylord, PLC, 111 East Kellogg Boulevard, Suite 300, St. Paul, MN 55101, appeared on behalf of Complainant Will Rossbach.

Jill Clark, Attorney at Law, 2005 Aquila Avenue North, Golden Valley, MN 55427, appeared on behalf of Respondents Erik Hjelle and Erik Hjelle and Associates, Inc.

#### NOTICE

This is the final decision in this case, as provided in Minn. Stat. § 211B.36, subd. 5. A party aggrieved by this decision may seek judicial review as provided in Minn. Stat. §§ 14.63 to 14.69.

### STATEMENT OF ISSUES

1. Did Respondent Erik Hjelle violate Minn. Stat. § 211A.12 by accepting contributions from Hjelle & Associates, Inc. in excess of \$300?

The panel concludes that Respondent Erik Hjelle violated Minn. Stat. § 211A.12 by accepting contributions from Hjelle & Associates, Inc. in excess of \$300.

2. Did Respondent Erik Hjelle violate Minn. Stat. § 211B.13 by accepting prohibited corporate contributions from Hjelle & Associates, Inc.?

The panel concludes that Respondent Erik Hjelle violated Minn. Stat. § 211B.13, subd. 2, by accepting contributions from Hjelle & Associates, Inc.

3. Did Respondent Hjelle & Associates, Inc. violate Minn. Stat. § 211B.15, subd. 2, by making prohibited corporate contributions?

The panel concludes that Respondent Hjelle & Associates, Inc., violated Minn. Stat. § 211B.15, subd. 2, by making contributions to promote Erik Hjelle's candidacy.

4. Did the Complainant file this Complaint in bad faith?

The panel concludes that the Respondents failed to establish that the Complainant filed the Complaint in bad faith.

Based upon the entire record in this matter and the stipulation of the parties concerning certain exhibits and testimony from the prior campaign complaint case of *Koppen v. Maplewood Firefighters Association, Inc. and Erik Hjelle*<sup>1</sup>, the panel makes the following:

### FINDINGS OF FACT

### Background

- 1. The Complainant is currently a member of the Maplewood City Council. In the November 2005 election he ran unsuccessfully for Mayor of Maplewood. Respondent Erik Hjelle was a first-time candidate for Maplewood City Council and was elected to the City Council on November 8, 2005. He is also a Maplewood paid-per-call firefighter and owns his own insurance business, Erik Hjelle & Associates, Inc. (Hjelle & Associates).
- 2. Hjelle & Associates is a for-profit subchapter S corporation. Respondent Erik Hjelle owns Hjelle & Associates along with his father and brother. However, Respondent Hjelle's father and brother do not work for and are not involved in the running of the business.<sup>2</sup>
- 3. On March 6, 2006, the Complainant filed a Complaint with the Office of Administrative Hearings alleging that Erik Hjelle, Hjelle & Associates, and the Maplewood Firefighters Association (MFA) violated various provisions of Minnesota Statutes Chapters 211A and 211B.
- 4. By Order dated March 7, 2006, Presiding Administrative Law Judge Barbara Neilson determined that the Complaint set forth prima facie violations of Minn. Stat. §§ 211A.12 and 211B.13 on the part of Respondent Erik Hjelle for allegedly accepting corporate contributions from Hjelle & Associates, and a prima facie violation of Minn. Stat. § 211B.15 on the part of Respondent Hjelle & Associates for allegedly making a corporate contribution to Hjelle's campaign. Judge Neilson dismissed all of the other allegations in the Complaint and also dismissed the Maplewood Firefighters Association as a party.
- 5. Before the commencement of the hearing in this matter, the parties stipulated that certain exhibits and testimony from a prior campaign complaint case,

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<sup>&</sup>lt;sup>1</sup> OAH Docket No. 7-6361-16947-CV (March 1, 2006).

<sup>&</sup>lt;sup>2</sup> Testimony of Hjelle in this matter and in *Koppen v. Maplewood Firefighters Association, et al*, OAH Docket No. 7-6361-16947-CV; Ex. 47. Hjelle described his father and brother as having some sort of survivorship interest, but no current interest in the business profits.

Koppen v. Maplewood Firefighters Association, Inc. and Erik Hjelle,<sup>3</sup> could be admitted into this record.<sup>4</sup> The Koppen complaint was filed on November 2, 2005, by Marvin Koppen, an incumbent candidate for the Maplewood City Council who ultimately was not re-elected. Mr. Koppen alleged in his complaint that Mr. Hjelle and the Maplewood Firefighters Association violated various provisions of Minnesota Statutes Chapters 211A and 211B. In particular, the complaint alleged that Mr. Hjelle violated Minn. Stat. § 211A.12 by accepting contributions of over \$300 from the MFA. After a probable cause hearing, a panel of Administrative Law Judges heard the matter on January 27 and January 30, 2006. By Order dated March 1, 2006, the panel found that Erik Hjelle violated Minn. Stat. § 211A.12 by accepting contributions in excess of \$300 from the Maplewood Firefighters Association. The panel assessed a \$400 civil penalty against Mr. Hjelle for this violation.

### **Corporate Contributions**

- 6. The period for filing as a candidate for the 2005 primary and general elections began July 5, 2005 and ended July 19, 2005. In Maplewood, candidates file their affidavits of candidacy for elected office at the City Clerk's office.<sup>5</sup>
- 7. Karen Guilfoile is the Maplewood City Clerk and the Director of Records, Elections, and Licenses for the City of Maplewood. She has been employed in these positions for approximately 10 years. As the Director of Elections, she manages the election process for the City of Maplewood, including publishing required notices, receiving candidates' affidavits of filing, securing polling places, and purchasing equipment. With the help of Deputy City Clerk Lori Hansen, Ms. Guilfoile also assembles packets of information in individual folders regarding campaign and election law requirements to give to each person filing as a candidate for Maplewood City office.
- 8. A couple of weeks before the July 5, 2005 filing date, Ms. Guilfoile and Ms. Hansen assembled packets of information for candidates that contained the following documents: (1) Minnesota Affidavit of Candidacy form; (2) Candidate schedule; (3) Candidate Information form; (4) the Minnesota Campaign Manual; (5) the Campaign Financial Report form; (6) City of Maplewood Ordinance regarding political signs; (7) Minnesota Department of Transportation letter regarding political signs; and (8) City of Maplewood map order form. Ms. Guilfoile and Ms. Hansen double-checked each packet to assure that each document was included. Every person who filed as a candidate for office in Maplewood was given a folder with this packet of information by either Ms. Guilfoile or Ms. Hansen. When a candidate came into the Clerk's office to file for office, it was Ms. Guilfoile's standard practice to take the packet of information out of the folder and identify and briefly explain each document to the candidate.

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<sup>&</sup>lt;sup>3</sup> OAH Docket No. 7-6361-16947-CV (March 1, 2006).

<sup>&</sup>lt;sup>4</sup> Fx D

<sup>&</sup>lt;sup>5</sup> Testimony of Guilfoile; Ex. C-1.

<sup>&</sup>lt;sup>6</sup> Testimony of Guilfoile; Ex. A.

<sup>&</sup>lt;sup>7</sup> Testimony of Guilfoile and Cave; Exs. C-1 through C-8.

- 9. The Minnesota Campaign Manual is a 41-page booklet published by the Minnesota Secretary of State's Office that contains an annotated digest of Minnesota Statutes Chapters 211A and 211B.8
- 10. Respondent Hjelle filed as a candidate for Maplewood City Council on July 19, 2005. Ms. Guilfoile gave him a folder with the packet of information. Ms. Guilfoile took the documents out of the folder and identified each one for Respondent Hjelle. While he was there, Respondent Hjelle filled out and filed his affidavit of candidacy form. To
- 11. The Minnesota Campaign Manual was included in the packet of information that Respondent Hjelle received from Ms. Guilfoile on July 19, 2005. 11
- 12. In late July of 2005, Bill Kordis, a Maplewood paid-per-call firefighter, ordered 250 lawn signs and 150 stands from E.W. Honsa Printing Company, Inc. (Honsa Printing). The lawn signs read:

## VOTE Erik Hjelle

Maplewood City Council

### Change & Common Sense

Endorsed by Maplewood Firefighters Association, Inc. Paid for by Maplewood Firefighters Association, Inc.

The word "VOTE" was written at an angle in the upper left hand corner of the sign. 12

- 13. Respondent Hjelle picked up the signs on or about August 3, 2005. The total cost of the signs and stands was \$1,423.91.<sup>13</sup> Respondent Hjelle paid for the signs and stands with a check written to Honsa Printing on his insurance business checking account, "Erik Hjelle and Associates, Inc."<sup>14</sup>
- 14. Sometime prior to September 2, 2005, Ms. Guilfoile called Respondent Hjelle and told him that he needed to have a disclaimer on his lawn signs.<sup>15</sup>
- 15. On or about September 2, 2005, Mr. Kordis ordered adhesive labels from Honsa Printing to apply to the lawn signs that contained the following disclaimer:

<sup>9</sup> Testimony of Hjelle; Ex. C-1.

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<sup>&</sup>lt;sup>10</sup> Testimony of Guilfoile and Hjelle.

<sup>&</sup>lt;sup>11</sup> Testimony of Guilfoile.

<sup>&</sup>lt;sup>12</sup> Testimony of Owens; Ex. 38.

<sup>&</sup>lt;sup>13</sup> Ex. 90

<sup>&</sup>lt;sup>14</sup> Testimony of Owens and Hjelle; Ex. 80.

<sup>&</sup>lt;sup>15</sup> Testimony of Hjelle.

"Prepared and paid for by the Maplewood Firefighters Association, Inc., 7200 Hudson Blvd. N., Suite 107, Oakdale, MN 55128, in support of Erik Hjelle." <sup>16</sup>

- 16. The total cost of the labels was \$89.13.<sup>17</sup> Respondent Hjelle paid for the labels with a check to Honsa Printing drawn on his business checking account, "Erik Hjelle & Associates, Inc." <sup>18</sup>
- 17. On or about October 11, 2005, Respondent Hjelle wrote a check to Honsa Printing in the amount of \$636.65 from his business checking account, "Erik Hjelle & Associates, Inc." The check was payment for pamphlets Respondent Hjelle had ordered for his campaign.<sup>19</sup>
- 18. Sometime in October of 2005, Respondent Hjelle saw a copy of the Campaign Manual at the home of Rebecca Cave. Ms. Cave was also running for Maplewood City Council in the general election. Respondent Hjelle asked Ms. Cave where she had received the manual. Ms. Cave explained that it came with the packet of information she received from the Maplewood City Clerk's office when she filed as a candidate. Respondent Hjelle told Ms. Cave that he had not received the manual and he asked her if he could take her manual with him to make a copy. 21
- 19. Before Respondent Hjelle looked through the Campaign Manual, he did not realize that corporate contributions to a campaign were prohibited or "that much of a concern." But once Respondent Hjelle read through the manual, he realized that writing checks for campaign expenses from his corporate account was not appropriate. <sup>23</sup>
- 20. Respondent Hjelle called his accountant and explained that he had paid for campaign expenses from his corporate business account. The accountant told him that he should not have done that and advised Respondent Hjelle to ask Honsa Printing to refund the payments in exchange for personal checks in order to correct the transactions.<sup>24</sup>
- 21. On or about November 3, 2005, Respondent Hjelle contacted Kay Owens, one of the owners of Honsa Printing, and asked if she would be willing to refund to him the \$1,423.91 he paid from his business account for the lawn signs in exchange for a check in the same amount from the Maplewood Firefighters Association. Respondent Hjelle explained that he had just recently learned that he should not have paid for the signs from his business account. Ms. Owens agreed to refund Hjelle the \$1,423.91 and

<sup>18</sup> Testimony of Owens and Hjelle; Ex. 81.

<sup>&</sup>lt;sup>16</sup> Testimony of Owens and Hjelle; Ex. 37.

<sup>&</sup>lt;sup>17</sup> Ex. 91.

<sup>&</sup>lt;sup>19</sup> Testimony of Hjelle; Ex. 82.

<sup>&</sup>lt;sup>20</sup> Ms. Cave lost in the November 2005 election but later won a seat on the Maplewood City Council in a special election held in February 2006.

<sup>&</sup>lt;sup>21</sup> Testimony of Cave and Hjelle.

Testimony of Hjelle.

<sup>&</sup>lt;sup>23</sup> Testimony of Hjelle in Koppen v. Maplewood Firefighters, et al, OAH Docket 7-6361-16947-CV.

<sup>&</sup>lt;sup>24</sup> Testimony of Hjelle.

accept a check in the same amount from the MFA.<sup>25</sup> On or about November 3, 2005, MFA's Treasurer, Dale Solheid, wrote a check to Honsa Printing on MFA's account. He left the amount and date blank and either Respondent Hjelle or someone at Honsa Printing later filled in the amount as \$1,423.91.<sup>26</sup>

- 22. On or about November 17, 2005, Respondent Hjelle again contacted Ms. Owens at Honsa Printing and asked if she would refund a check in the amount of \$636.65 that he wrote to Honsa Printing on his business checking account on or about October 11, 2005,<sup>27</sup> in exchange for a check in the same amount from his personal checking account. Ms. Owens agreed to do so, and wrote a check out to Respondent Hjelle in the amount of \$636.65.<sup>28</sup> Respondent Hjelle wrote a check from his personal checking account to Honsa Printing in the amount of \$636.65. The check was deposited on or about November 18, 2005. However, the check was dated September 14, 2005.<sup>29</sup>
- 23. Respondent never asked Honsa Printing to refund the \$89.13 amount he paid for the labels from his business checking account in exchange for a personal check. In attempting to correct the corporate contributions, Respondent overlooked this transaction.<sup>30</sup>

### **Bad Faith Allegation**

- 24. Sometime in February of 2006, the Complainant called Respondent Hjelle and asked to meet with him to discuss some City Council related issues. Respondent Hjelle agreed to the meeting, and the two met for coffee on a Friday afternoon. During the meeting, the Complainant asked Respondent Hjelle to consider making a public statement addressing the allegations in Marv Koppen's complaint that he violated campaign laws. The hearing on Mr. Koppen's campaign complaint against Respondent Hjelle and the Maplewood Firefighters had just concluded on January 30, 2006. The Complainant told Respondent Hjelle that he did not expect him to admit wrongdoing but the Complainant felt that some sort of public contrition on the part of Respondent Hjelle was necessary for the good of the City Council. The Complainant also told Respondent Hjelle that if he did not issue a public statement, the Complainant would file another campaign complaint against him.<sup>31</sup>
- 25. At the Maplewood City Council meeting held on or about February 13, 2006, City Council members engaged in a heated discussion about the allegations contained in the campaign complaint filed by former councilmember Marv Koppen and the concerns expressed by residents regarding the complaint. After the council meeting, the Complainant approached Respondent Hjelle in a room outside of Council

Testimony of Hjelle; Ex. 82.

<sup>&</sup>lt;sup>25</sup> Testimony of Owens; Ex. 84A.

<sup>&</sup>lt;sup>26</sup> Ex. 83.

<sup>&</sup>lt;sup>28</sup> Testimony of Owens, Exs. 86A, 87.

<sup>&</sup>lt;sup>29</sup> Ex. 87.

<sup>&</sup>lt;sup>30</sup> Testimony of Hjelle.

<sup>&</sup>lt;sup>31</sup> Testimony of Hjelle.

chambers and asked him if he had "made a decision" regarding his request that Respondent Hielle issue some sort of public statement. The Complainant stated that it was not going to be easy for the City Council to get through the controversy without some sort of public statement from Respondent Hjelle. In response, Respondent Hjelle told the Complainant that he was not going to make a public statement and that if the Complainant wanted to file another complaint against him, to go ahead and file. Respondent Hielle told the Complainant, "you have to do what you think is right." 32

During the hearing, the Complainant moved to dismiss Respondents' claim that the Complaint was filed in bad faith. The panel granted the Complainant's motion to dismiss after the close of Respondent Hjelle's testimony on direct examination.

Based upon the foregoing Findings of Fact, the panel makes the following:

### CONCLUSIONS

- 1. Minn. Stat. § 211B.35 authorizes the panel of Administrative Law Judges to consider this matter.
- The burden of proving the allegations in the complaint is on the Complainant and the standard of proof is preponderance of the evidence.<sup>33</sup>
- Minn. Stat. § 211B.15, subd. 2, prohibits corporations from making a contribution of money or thing of monetary value to a committee or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office.
- The Complainant has established that Respondent Hielle & Associates violated Minn. Stat. § 211B.15, subd. 2, by making contributions of money or things of monetary value to Respondent Hielle to promote his candidacy.
  - 5. Minn. Stat. § 211B.13, subd. 2, provides as follows:

A person may not knowingly solicit, receive, or accept any money, property, or other thing of monetary value, or a promise or pledge of these that is a disbursement prohibited by this section or section 211B.15.

Minn. Stat. § 211B.01, subd. 5, defines "disbursement" to mean an act through which money or other thing of value is directly or indirectly "promised, paid, spent, contributed, or lent, and any money ... or other thing of value so promised or transferred."

<sup>&</sup>lt;sup>32</sup> Testimony of Hjelle. <sup>33</sup> Minn. Stat. § 211B.32, subd. 4.

- 7. The Complainant has established that Respondent Hjelle violated Minn. Stat. § 211B.13, subd. 2, by accepting money or things of monetary value from Hjelle & Associates.
  - 8. Minn. Stat. § 211A.12 provides in relevant part as follows:

A candidate ... may not accept aggregate contributions made or delivered by an individual or committee in excess of \$300 in an election year for the office sought and \$100 in other years ...

- 9. Minn. Stat. § 211A.01, subd. 5, defines "contribution" to mean "anything of monetary value that is given or loaned to a candidate or committee for a political purpose."
- 10. Minn. Stat. § 211A.01, subd. 4, defines "committee" to mean "a corporation or association or persons acting together to influence the nomination, election, or defeat of a candidate or to promote or defeat a ballot question."
- 11. The Complainant has established by a preponderance of the evidence that Respondent Hjelle violated Minn. Stat. § 211A.12 by accepting contributions in excess of \$300 from a committee in an election year. The Complainant has established that Respondent Hjelle accepted contributions from Respondent Hjelle & Associates in the amount of \$2,149.69.<sup>34</sup>
- 12. Under Minn. Stat. § 211B.36, subd. 3, the Panel may order a complainant to pay the respondent's reasonable attorney's fees and the costs incurred by the Office of Administrative Hearings if it determines that a complaint is frivolous. Frivolous claims may include those lacking a good faith investigation of the facts or those filed in bad faith.
- 13. The Respondents failed to establish that the Complainant filed this Complaint in bad faith and the panel concludes that the Complaint is not frivolous.

Based upon the record herein, and for the reasons stated in the following Memorandum, the panel makes the following:

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<sup>&</sup>lt;sup>34</sup> Exs. 80, 81 and 82.

### **ORDER**

### IT IS ORDERED:

- 1. That Respondent Erik Hjelle pay a civil penalty of \$500 by July 14, 2006, for violating Minn. Stat. §§ 211A.12 and 211B.13, subd. 2.<sup>35</sup>
- 2. That Respondent Hjelle & Associates, Inc. not be assessed a civil penalty for violating Minn. Stat. § 211B.15.

Dated: June 6, 2006

/s/ Barbara L. Neilson
BARBARA L. NEILSON
Presiding Administrative Law Judge

/s/ Steve M. Mihalchick STEVE M. MIHALCHICK Administrative Law Judge

/s/ Beverly Jones Heydinger
BEVERLY JONES HEYDINGER
Administrative Law Judge

### **MEMORANDUM**

Minn. Stat. § 211B.15 prohibits corporations from contributing money or any thing of monetary value to candidates or major political parties. The Complainant has established that Respondent Hjelle wrote three checks from the corporate checking account of Hjelle & Associates, Inc., in amounts totaling \$2,149.69 to purchase lawn signs, stickers, and pamphlets for his campaign. By doing this, Respondent Hjelle & Associates made contributions to Hjelle's candidacy in violation of Minn. Stat. § 211B.15, subd. 2. Likewise, by accepting the three contributions, Respondent Erik Hjelle violated Minn. Stat. § 211B.13, subd. 2, which makes it illegal for persons to accept disbursements prohibited under Minn. Stat. § 211B.15. Finally, Respondent Hjelle violated Minn. Stat. § 211A.12, by accepting contributions in excess of \$300 from Hjelle & Associates.

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<sup>&</sup>lt;sup>35</sup> The check should be made payable to: "Treasurer, State of Minnesota" and sent to the Office of Administrative Hearings, 100 Washington Avenue South, Suite 1700, Minneapolis, MN 55401.

In his defense, Respondent Hielle testified that the Campaign Manual, which annotates the state laws regulating campaign reporting and campaign practices, was not included in the packet of information he received from Ms. Guilfoile when he filed for office. However, Ms. Guilfoile gave credible testimony about her standard practice of compiling and distributing to each candidate a packet of information, which included the Respondent Hjelle's testimony, on the other hand, 41-page Campaign Manual. demonstrated that he had little knowledge of the election process or of the specific campaign laws and applicable requirements. Based on their testimony, the panel concludes that it is more likely than not that Respondent Hjelle received the manual from Ms. Guilfoile but simply did not appreciate its significance at the time. In any case, even if Respondent Hjelle did not receive the Campaign Manual, it would not excuse the violations. Respondent Hjelle had an obligation as a candidate for public office to familiarize himself with the laws governing his campaign and there is no evidence that he made any effort to do this. For example, Respondent Hjelle was unaware that his lawn signs required a disclaimer until Ms. Guilfoile called him to notify him of the requirement on September 2, 2005. In addition, Respondent Hjelle's attempt to correct his insurance company's prohibited corporate contribution of \$1,423.91 for the lawn signs by exchanging its check for a check from the Maplewood Firefighters Association resulted in him being found to have violated Minn. Stat. § 211A.12 for accepting a contribution from MFA in excess of \$300.36 Overall, Respondent Hjelle's actions throughout his campaign reflect a lack of effort on his part to learn and abide by the governing campaign laws.

Respondent Hjelle also argues that the claims against him were already litigated in the *Koppen* matter and that he should not be assessed any further penalties for the same violations. However, as the panel explained in its prior Order addressing Respondents' *res judicata* and collateral estoppel arguments,<sup>37</sup> the issues in this matter are not the same as those litigated in the *Koppen* case. Respondent Hjelle & Associates was not a named party in the *Koppen* case and its contributions were not at issue. The civil penalty assessed against Mr. Hjelle in *Koppen*, although based on some of the same transactions with Honsa Printing, was for conduct relating to the Maplewood Firefighters Association, not Hjelle & Associates.

Respondents also contend that since Erik Hjelle attempted to correct two of the transactions by exchanging his corporate checks for a personal check and a check from MFA, these transactions should be viewed as loans from Hjelle & Associates rather than as prohibited contributions. Respondents maintain that the checks written on Hjelle & Associates' account for \$1,423.91 (lawn signs) and \$636.65 (pamphlets) were only "temporarily provided and then repaid." However, Minnesota Statutes chapters 211A and 211B define the terms "contribution" and "disbursement" to include loans. Accordingly, even if Respondent Hjelle & Associates' contributions are viewed as loans, they still form the basis for a finding that prohibited acts occurred under Minn. Stat. §§ 211A.12, 211B.13 and 211B.15.

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<sup>&</sup>lt;sup>36</sup> See Koppen v. Maplewood Firefighters Association, et al, OAH Docket 7-6361-16947-CV (March 1, 2006).

<sup>&</sup>lt;sup>37</sup> Koppen, Order on Motion for Summary Disposition, OAH Docket 11-6361-17155-CV (April 10, 2006).

The panel concludes that Respondents' violations of the applicable laws warrant penalties. However, the panel has taken into account that the fine assessed against Respondent Hjelle in the *Koppen* matter, although based on a separate violation of the law, stemmed from the same series of transactions at issue in this matter.<sup>39</sup> The panel also notes that Respondent Hjelle took steps to rectify one of the prohibited corporate contributions by substituting a personal check for the amount his business paid for the pamphlets (\$636.65) in exchange for Honsa Printing refunding the amount written on his business account.<sup>40</sup> Although the violations of campaign laws occurred when the corporate checks were written and the contributions received, Respondent Hjelle's attempts to correct the prohibited transactions have been considered by the panel with respect to what if any penalty should be assessed.

Having found that Respondent Hjelle violated Minn. Stat. §§ 211A.12 and 211B.13, by accepting \$2,149.69 in contributions from Hjelle & Associates, and that Hjelle & Associates violated Minn. Stat. § 211B.15 by making corporate contributions to Hjelle's candidacy, the Panel may make one of several dispositions. The panel may issue a reprimand, may impose a civil penalty of up to \$5,000, and may refer the complaint to the appropriate county attorney for criminal prosecution. In this case, the panel has decided to impose on Respondent Hjelle a civil penalty of \$500. The panel concludes that Respondent Hjelle's violations of the contribution limits and the prohibition against accepting corporate contributions was negligent and was the result of his failure to learn the requirements of the governing campaign laws.

The panel has further decided to impose no separate penalty on Respondent Hjelle & Associates. Respondent Hjelle & Associates is essentially a one-person corporation (Erik Hjelle). As an S corporation, any penalty assessed against Hjelle & Associates will be paid by Respondent Hjelle. Moreover, it was Respondent Hjelle's act of writing the three checks that forms the basis of his corporation's violation of the law. The panel concludes that Respondent Hjelle should be penalized for his acts, but that assessing a penalty against him and his corporation would penalize Mr. Hjelle twice for the same conduct.

B.L.N., S.M.M., B.J.H.

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<sup>&</sup>lt;sup>39</sup> In *Koppen*, Respondent Hjelle was found to have violated Minn. Stat. § 211A.12 by accepting a contribution in excess of \$300 from the Maplewood Firefighters Association (MFA). MFA wrote a check to Honsa Printing for \$1,423.91 for Hjelle's lawn signs in exchange for Honsa Printing refunding Respondent Hjelle & Associates' check in the same amount.

<sup>&</sup>lt;sup>40</sup> See Finding 21. However, the panel also notes that even when he became aware that he should not have paid for campaign expenses with corporate checks, Hjelle's attempts at correcting the transactions were incomplete.

<sup>&</sup>lt;sup>41</sup> Minn. Stat. § 211B.35, subd. 2.

<sup>&</sup>lt;sup>42</sup> As an S corporation, all of Hjelle & Associates' profits and losses are passed through to Respondent Hjelle.